

WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

NR0017E1

O. Eng.

19th Session

H11-3

Brussels, .

PROPOSAL BY CHINA FOR AMENDMENTS TO THE NOMENCLATURE CONCERNING "MUSHROOMS"

(Item II.A.17 on Agenda)

Reference documents:

42.249 (RSC/18) 42.463 (RSC/18) 42.500, Annex B/12 (RSC/18 – Report)

I. BACKGROUND

- 1. The Sub-Committee at its 18th Session examined the proposal by China for amendments to the Nomenclature concerning "mushrooms".
- 2. China's intention was (i) to obtain a clarification of the classification of fungi such as "Jew's ears" and "jelly fungi" and (ii) to separately identify "Jew's ears" and "white mushrooms (button mushrooms)" in the HS. China was of the view that creating a definition for mushrooms for HS purposes would not be feasible, but the term "mushrooms" could be deleted from the respective HS texts and replaced by "edible fungi". This would make it possible to subdivide edible fungi into several important classes such as "Jew's ears", "white mushrooms" and other. As regards the two options in paragraph 2 of Doc. 42.249, China preferred the second one. China also asked that separate subheadings for white mushrooms be created in headings 07.11. and 20.03.
- 3. Several delegates were reluctant to change the present terminology of "mushrooms" which had not caused any difficulties so far. The use of the term "edible fungi" in international trade was likely to result in an unintended transfer of products from other parts of the HS. Others, however, felt that, since some administrations regarded only products with a cap and a stem as mushrooms, the question regarding the scope of mushrooms and classification of "Jew's ears" and "jelly fungi" raised by the Chinese Administration should be submitted to the HS Committee for decision.

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- 4. After discussion, the Sub-Committee favoured the Chinese request for separate identification of "Jew's ears" and "jelly fungi" in view of the distinct character of these products and the high volume of trade. Since China clarified that most of the trade in these products was in the dry state, there was also support for the proposal to insert "Jew's ears" and "jelly fungi" in the text of subheading 0712.30 and split it into separate subdivisions to identify these products at 6-digit level. Sweden suggested that the Latin names of these products also be inserted to facilitate their identification.
- 5. The Sub-Committee decided to re-examine the matter at its 19th Session on the basis of a new document containing draft texts to be prepared by the Secretariat on the basis of the above conclusions.

II. NOTE FROM CHINA

- 6. The following is an excerpt from the note received from China on 14 January 1999.
- 7. "...At the 18th Session of the Review Sub-Committee, China expressed its desire to have separate identification of Jew's ears, jelly fungi and white mushrooms.
- 8. The Review Sub-Committee considered that the Chinese request merited favourable consideration and the matter will be re-examined at the next session. However, there was no explicit indication expressed in the Sub-Committee Report with regard to the creation of separate subheadings for white mushrooms in headings 07.09, 07.11, 07.12 and 20.03.
- 9. China would like to reiterate its position as to the amendments of the Nomenclature concerning the "mushroom" related headings and subheadings.
- 10. China not only hopes that Jew's ears and jelly fungi be separately identified in heading 07.12, but also expects the creation of separate subheadings for white mushrooms in headings 07.09, 07.11, 07.12 and 20.03 since white mushrooms are also an important export product of China...".
- 11. China's new proposal is set out in Annex I to this document. Trade figures previously submitted by China concerning the products involved had been given in pages 4 to 6 of Doc. 42.463.

III. SECRETARIAT COMMENTS

- 12. The Secretariat recalls that the Sub-Committee at its 18th Session supported the Chinese proposal for separate identification of "Jew's ears" and "jelly fungi" only in subheading 0712.3.
- 13. However, China reiterates its position (taken at the 18th Session) as to the amendment of the Nomenclature concerning mushroom-related headings and subheadings and now proposes the following, which is considerably different from its original proposal:
 - (a) Insertion of the expression "Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*)" in the present texts of subheadings 0709.5 and 0712.30 and heading 20.03;
 - (b) Insertion of a new subheading 0711.5 in heading 07.11 for "mushrooms, truffles, Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*)";

- (c) Creation of separate subheadings for "white mushrooms" in headings 07.09, 07.11, 07.12 and 20.03; and
- (d) Creation of a separate subheading for "Jew's ears (*Auricularia spp.*)" under present subheading 0712.30.

Technical literature

- 14. Due to the late arrival of the new Chinese proposal, the Secretariat did not have enough time to study the matter in detail.
- 15. In respect of the terms "fungi", "mushrooms", "truffles", "jelly fungi" and "Jew's ears", the Secretariat found the following information in the technical literature available to it, in addition to that included in Docs. 42.249 and 42.463:
 - 15.1. Fungi are among the most widely distributed organisms on Earth... Fungi include yeasts, rusts, smuts, mildews, molds, mushrooms and others... Penicillin, a green mold, is just one of many fungi with beneficial effects on the human environment. (Encyclopedia Britannica, Macropedia, Vol.19, p. 597).
 - 15.2 It has been estimated that over 1,500,000 species of fungi exist on Earth, yet only about 69,000 species have been described to date. Approximately 14% (10,000) of described species of fungi are considered mushrooms, many of them edible... Fungi have been used for their medicinal properties over 2000 years.... Several important drugs have been isolated from mushroom fruiting bodies and mycelium (McGraw-Hill Encyclopedia of Science and Technology, Vol.11, p.579).
 - 15.3. Mushroom [is] the conspicuous umbrella-shaped fruiting body (sporophore) of certain fungi, typically of the order Agaricales (q.v.) in the class Basidiomycetes (q.v.) but also of some other groups... In a very restricted sense, mushroom indicates the common edible fungus of fields and meadows (Agaricus campestris, or Psalliota campestris). A very closely related species, A. bisporus, is the mushroom grown commercially and seen in markets... Umbrella-shaped sporophores are found chiefly in the agaric family (Agaricaceae)... An example of an agaric is the honey mushroom (Armillaria mellea)... The agarics and boletes include most of the forms known as mushrooms. Other groups of fungi, however, are considered to be mushrooms, at least by laymen. Among these are the hydnums or hedgehog mushrooms, which have teeth, spines, or warts on the undersurface of the cap (e.g., Dentium repandum, Hydnum imbricatum) or at the ends of branches (e.g., Hydnum coralloides)... The clavarias, or club fungi (e.g., Clavaria, Ramaria), are shrublike, clublike, or coral-like in growth habit... Puffballs (order Lycoperdales; a.v.), stinkhorns (a.v.), earthstars (a kind of puffball), and bird's nest fungi are usually treated with the mushrooms. The morels (Morchella, Verpa) and false morels or lorchels (Gyromitra, Helvella) of the class Ascomycetes (q.v.) are popularly included with the true mushroom because of their shape and fleshy structure; they resemble a deeply folded or pitted conelike sponge at the top of a hollow stem... Other unusual forms, not closely related to the true mushrooms, but often included with them, are the jelly fungi (Tremella species), the ear fungus or Jew's ear (Auricularia auriculara-judae), and the edible truffle (q.v.) (Britannica, Micropedia, Vol.8, pp. 441-442).

- 15.4 Fewer than 20 species of edible mushroom are cultivated commercially. The most commonly cultivated mushroom is *Agaricus bisporus*, followed by the oyster mushroom (*Pleurotus* spp.). Other major species of commerce include *Lentinula edodes* (shiitake), *Auricularia* spp. (wood-ear), *Volvariella volvacea* (straw mushroom), *Flammulina velutipes* (winter mushroom), *Tremella fuciformis* (silver-ear), *Hericium erinaceus* (bear's-heaf), and *Pholiota nameko* (nameko). China is the leading mushroom producing country; Japan leads the world in number of edible species cultivated commercially (McGraw-Hill, Vol. 11, p. 579).
- 15.5 Class Basidiomycetes...is a large class of fungi containing the rusts, smuts, jelly fungi, club fungi, coral and shelf fungi, mushrooms, puffballs, stinkhorns, and bird's-nest fungi... Subclass Heterobasidiomycetidae...includes the jelly fungi, the rusts, and the smuts... Order Tremellales (jelly fungi); fruiting bodies (basidiocarps) well-formed, appearing as inconspicuous horny crusts when dry but usually bright-coloured to black gelatinous masses after a rain...; about 500 species... Subclass Homobasidiomycetidae includes the great majority of the Basidiomycetes... Order Agaricales (mushrooms and boletes), basidia produced in layers (hymenia) on the underside of the fleshy fruiting bodies (basidiocarps), in tubes (boletes) or on gills (mushrooms); 4,000 to 5,000 species (Britannica, Macropedia, Vol.19, p. 609).
- 15.6. Truffle [is] an edible, subterranean fungus...in the genus *Tuber*, order Tuberales, of the class Ascomycetes (division Mycota)... The most valued truffle in French cookery is the Périgord (*T. melanosporum*)... The truffle industry is an important one in France, and about one-third of the gatherings are exported.... Truffles often occur at depths of up to about 30 centimetres (12 inches)... The English truffle, *T. aestivum*, is found principally in beech woods... False truffles (*Rhizopogon*), form small, underground, potato-like structures under coniferous trees, in parts of North America (Britannica, Micropedia, Vol. 12, p.2).
- 15.7. Auriculariaceae, a family of basidiomycetous fungi (order Tremellales) with transversely septate basidia and gelatinous sporophores (Webster's Third New International Dictionary).
- 15.8. According to the "Nouvel Atlas des Champignons, Vol.4, Table 308", one of the synonyms for Auricularia auricula-Judae (Jew's ears) is "Tremella". The flesh of Jew's ears is gelatinous and clinging.

Additional information provided by China at the 18th Session of the Sub-Committee

- 16. The additional information provided by China at the 18th Session of the Sub-Committee will be made available for consultation by delegates during the session. It should be noted that most of the species cited therein are referred to as "mushrooms" irrespective of the shape of their fruiting bodies. Truffles, morels, jelly fungi and Jew's ears are considered to be among the other edible fungi.
- 17. From the information obtained so far, the Secretariat draws the following conclusions:

The expressions "edible fungi" and "mushrooms and truffles"

18. The Secretariat in Doc. 42.249 (para.10) has indicated that the use of the expression "edible fungi" instead of "mushrooms and truffles" in the relevant HS texts might solve the

difficult question of whether Jew's ears and jelly fungi were covered by the terms "mushrooms and truffles" since these were certainly edible fungi. However, this might lead to the transfer of certain products, which are "edible fungi" but not covered by the terms "mushrooms and truffles", from other parts of the Nomenclature. This concern was shared by several delegates at the 18th Session.

19. Perhaps for this reason, China, in its latest proposal, does not propose to replace the expression "mushrooms and truffles" with the expression "edible fungi". Nevertheless, it should be noted that the coverage of "edible fungi" is not clear for the purposes of the HS. The Secretariat is therefore against using the expression "edible fungi" instead of "mushrooms and truffles" in the HS, unless this expression is clearly defined and the criteria for distinguishing "edible" fungi from "inedible" fungi, on one hand, and between "edible fungi" and "mushrooms and truffles", on the other hand, are established, in order not to disturb the existing trade in "mushrooms and truffles" for which no major difficulty has been reported so far.

Insertion of the expression "Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*)" in the present texts of subheadings 0709.5 and 0712.30 and heading 20.03

- 20. At the 18th Session of the Sub-Committee, the Delegate of China had indicated that one of the intentions of his Administration was to obtain a clarification of the classification of fungi such as "Jew's ears" and "jelly fungi".
- 21. China now proposes to insert the expression "Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*)" in the texts of subheadings 0709.5 and 0712.30 and heading 20.03, but proposes only one subheading to identify "Jew's ears" separately at six-digit level (subheading 1712.32).
- 22. The Secretariat therefore wonders whether the Chinese proposal in this respect is justified. If the reason behind this proposal is still the "clarification of the classification of fungi such as "Jew's ears" and "jelly fungi", this question might be submitted to the Harmonized System Committee for decision, as suggested by some delegates at the 18th Session.
- 23. In this connection, the Secretariat would like to draw the Sub-Committee's attention to the fact that the term "mushroom" is generally used to cover not only the "conspicuous umbrella-shaped fruiting body of certain fungi" but also the fruiting bodies of a wide variety of shapes of other fungi (e.g., hydnums, hedgehog mushrooms, clavarias, pleurottes, etc.). Truffles, Jew's ears and jelly fungi are treated separately from the general term "mushrooms" since they are not closely related to true mushrooms (see paragraphs 15.3, 15.4 and 15.6).
- 24. However, while the Chinese Administration refers to jelly fungi as "*Tremella* species", the technical literature available to the Secretariat also suggests that "*Tremellales*" is the name of an "order" and that this order seems to cover the family "*Auricularia*" (ear shaped fungi) amongst approximately 500 species falling therein. It should also be noted that one of the synonyms for "Jew's ears" is "Tremella" (see paragraphs 15.5, 15.7 and 15.8). The Secretariat was unable to find further information in this respect. Therefore, the Chinese Administration is requested to clarify this point.

Insertion of a new subheading 0711.5 in heading 07.11 for "mushrooms, truffles, Jew's ears (*Auricularia spp.*)" and jelly fungi (*Tremella spp.*)"

25. The Secretariat has no objection to the idea of inserting in heading 07.11 a new subheading concerning "mushrooms and truffles", taking into account that the volume of trade in these products is considerably high. However, for the reasons explained in paragraph 24 above, the Secretariat is concerned about using the expressions "Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*)" in the proposed text separately.

<u>Creation of separate subheadings for "white mushrooms" in headings 07.09, 07.11, 07.12</u> and 20.03

26. The Secretariat also has no objection to providing separately for "white mushroom" (*Agaricus bisporus*) in the HS, since it is the major mushroom species cultivated commercially. However, according to the technical literature, *Agaricus bisporus* is a species closely related to the common edible fungus of fields and meadows (*Agaricus campestris*, or *Psalliota campestris*). Also, umbrella-shaped sporophores are found chiefly in the Agaricaceae (mushrooms and boletes), but this order covers about 4,000 to 5,000 species. If the Chinese proposal for the separate identification of a single species (*Agaricus bisporus*) of the order Agaricaceae is accepted, then all the other species of the order should fall in the respective residual subheadings. However, due to the absence of sufficient information, the Secretariat is unable to find a satisfactory answer to the question of how to distinguish *Agaricus bisporus* from, first, *Agaricus campestris* (*Psalliota campestris*) and, second, all the remaining species of the order similar to *Agaricus campestris* in colour, shape, size, taste, etc. The Sub-Committee is requested to express its views as to whether it could be possible to make such a distinction.

<u>Creation of a separate subheading for "Jew's ears (Auricularia spp.)" under present subheading 0712.3</u>

- 27. The Sub-Committee at its 18th Session had supported the Chinese proposal to insert "Jew's ears" and "jelly fungi" in the text of subheading 0712.30 and split it into separate subdivisions to identify these products at 6-digit level, as China clarified that most of the trade in these products was in the dry state. Sweden suggested that the Latin names of these products also be inserted to facilitate their identification.
- 28. On the basis of the Sub-Committee's instructions, and taking into account the latest proposal by China, the Secretariat has prepared draft texts concerning amendments to the Nomenclature.
- 29. However, as explained in paragraphs 24 and 25 above, the Secretariat is not sure whether:
 - (a) Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*) are completely different fungus species and readily distinguishable from each other, as suggested by the Chinese Administration; or
 - (b) Jew's ears (*Auricularia spp.*) consist of a family covered by order *Tremellales*, as suggested by the technical literature available to the Secretariat.

- 30. If (a) is correct, then the Secretariat would have no objection to the insertion of "Jew's ears" and "jelly fungi" in the text of subheading 0712.30 and to split it into two separate subdivisions to identify these products at 6-digit level. However, if (b) is correct, then it would be appropriate to use the expression "jelly fungi (including Jew's ears)", without any splitting.
- 31. Therefore, the Secretariat has drafted two alternative texts on the basis of the two possibilities explained above. These texts are set out in Annex II to this document.
- 32. As a final point, the Secretariat does not feel comfortable with using the term "Jew's" ears in the Harmonized System. It could be more appropriate to use one of the alternative terms "wood" ears or "tree" ears given in the additional information provided by China at the 18th Session. Therefore, these three alternatives have been placed in square brackets in the relevant texts in Annex II to this document. The Sub-Committee is requested to express its opinion as to whether it agrees with the Secretariat.

IV. CONCLUSION

- 33. Taking into account its conclusions at the 18th Session (paragraphs 4 and 5 above), the new Chinese proposal (paragraphs 7 to 11 above) and the Secretariat's comments (paragraphs 12 to 31 above), the Sub-Committee is requested to indicate whether the legal texts should be amended:
 - (a) in accordance with the latest proposal by China (see Annex I to this document); in this case, the Sub-Committee is invited to determine (i) whether Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*) are completely different fungus species and could be readily distinguished from each other, and (ii) whether white mushroom (*Agaricus bisporus*) could be readily distinguished from all the other 4,000 to 5,000 species of the order Agaricaceae; or
 - (b) in accordance with Sub-Committee's conclusions at the 18th Session; in this case, the Sub-Committee is invited to determine whether Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*) are completely different fungus species and could be readily distinguished from each other.
- 34. The Sub-Committee is also requested to indicate whether the term "Jew's ears" in the relevant texts should be replaced by one of the alternative terms "wood ears" or "tree ears" (see paragraph 32 above).
- 35. Depending on its conclusions, the Sub-Committee is also invited to examine the texts set out in Annex II to this document.

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Annexe I au Doc. NR0017B1

(SCR/19/mars 99) (RSC/19/March 99)

ANNEXE I

AMENDEMENTS EVENTUELS DE LA NOMENCLATURE EN CE QUI CONCERNE LES "CHAMPIGNONS"

(Point II.A.17 de l'ordre du jour)

ANNEX I

POSSIBLE AMENDMENTS TO THE NOMENCLATURE CONCERNING "MUSHROOMS"

(Item II.A.17 on the Agenda)

Annex I to Doc. NR0017B1 (RSC/19/March 99)

PROPOSAL BY CHINA ARTICLE 16 PROCEDURE AMENDMENTS TO THE NOMENCLATURE

CHAPTER 7.

Subheading 0709.5.

Delete and substitute:

" - Mushrooms, truffles, Jew's ears (Auricularia spp.) and jelly fungi (Tremella spp.):

0709.53 -- White mushrooms (*Agaricus bisporus*)

0709.54 -- Truffles 0709.59 -- Other".

Subheading 0711.5.

Insert the following subheadings:

" - Mushrooms, truffles, Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*):

0711.51 -- White mushrooms (*Agaricus bisporus*)

0711.52 -- Truffles 0711.59 -- Other".

Subheading 0712.30.

Delete and substitute:

" - Mushrooms, truffles, Jew's ears (Auricularia spp.) and jelly fungi (Tremella spp.):

0712.31 -- White mushrooms (*Agaricus bisporus*)

0712.32 -- Jew's ears (Auricularia spp.)

0712.39 -- Other".

CHAPTER 20.

Heading 20.03, subheading 2003.10 and subheading 2003.20.

Delete and substitute:

"20.03 Mushrooms, truffles, Jew's ears (*Auricularia spp.*) and jelly fungi (*Tremella spp.*), prepared or preserved otherwise than by vinegar or acetic acid.

2003.20 - Truffles

2003.30 - White mushrooms (*Agaricus bisporus*)

2003.90 - Other".

Annexe au

II Doc. NR0017B1

Annex to

(SCR/19/mars 99) (RSC/19/March 99)

ANNEXE II

AMENDEMENTS EVENTUELS DE LA NOMENCLATURE EN CE QUI CONCERNE LES "CHAMPIGNONS"

(Point II.A.17 de l'ordre du jour)

ANNEX II

POSSIBLE AMENDMENTS TO THE NOMENCLATURE CONCERNING "MUSHROOMS"

(Item II.A.17 on Agenda)

ARTICLE 16 PROCEDURE

AMENDMENTS TO THE NOMENCLATURE

CHAPTER 7.

Subheading 0712.30.

Delete and substitute:

Option 1

- Mushrooms (including [Jew's] [wood] [tree] ears (Auricularia spp.) and jelly fungi (Tremella spp.)) and truffles:

0712.31 -- Truffles

0712.32 -- [Jew's] [Wood] [Tree] ears (Auricularia spp.)

0712.33 -- Jelly fungi (*Tremella spp.*)

0712.39 -- Other".

Option 2

- Mushrooms (including jelly fungi (Tremella spp.)) and truffles :

0712.31 -- Truffles

0712.32 -- Jelly fungi (including [Jew's] [wood] [tree] ears) 0712.39 -- Other".